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**A SELECTED BIBLIOGRAPHY ON MUNICIPAL DEBT:
REVENUE BONDS**

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Revenue bond financing has evolved gradually over the last half century as a means of financing municipal improvements in periods of growing resistance to property taxes. The issuance of revenue bonds to finance capital expenses (construction and/or purchase) for municipal facilities avoids the use of annually-collected property taxes or property taxes levied especially to pay off general obligation bond principle and interest. An upsurge in the use of these revenues (self-liquidating from income) bonds occurred in the 1930's for just that reason, as local governments tried to ease the burden on Depression-harried taxpayers.

Since revenue bonds are designed to have their principle and interest payments made from revenue produced by the facility constructed or purchased, these bonds are used only to acquire revenue-producing facilities such as utilities (water, refuse collection, natural gas, sewerage disposal, electrical power), transportation (bus lines, parking facilities, docks, airports), pollution-control systems, and recreational facilities such as golf courses, swimming pools, and tennis courts.

While revenue bonds enjoy the same tax-exempt status as general obligation bonds, the use of income from the facility (which can fluctuate greatly from one year to the next) makes these bonds riskier as an investment than general obligation bonds.

Consequently they carry a higher interest rate and as such cost the city more.

Greatly to a city's advantage, however, is that often state law or the city's charter will permit issuance of revenue bonds without a vote of the people, in the same manner that a corporation's board of directors can buy another company or incur debt without going to its stockholders, based on the theory that any such indebtedness can be repaid from profits. In this regard, cities have become more "business-like" (whatever that means) with regard to their financial affairs in imitating profit-motivated private enterprise.

News items occur with regularity regarding revenue bonds and bonding in Barron's, Business Week, Moody's The Bond Buyer, The Conference Board Record, Future, Harvard Business Review, Nation's Business, and The Wall Street Journal.

As with general obligation bonds, much of the mechanics of the conception, review, approval, sale and purchase of revenue bonds appears only in the lore of bonding legal counsel, and is indicated by some of the bibliographic entries included herein.

This bibliography, coupled with the publication on general obligation bonding, will present the reader with the bulk of available information on municipal bonding. Although there are other types of municipally-issued bonds - industrial-development, tax-increment, and hybrids between general obligation and revenue bonds - the two basic categories of general obligation and revenue make up by far the largest part of municipal debt. The large amount of overlap in the bibliographies indicates the scarcity of materials in the field, and should perhaps offer to the reader

the idea that definitive works in the area of municipal debt administration are long overdue.

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